



Attorney Docket No.: **021180-00053 (BRWN 20.199)**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventors: Owen H. BROWN
 David Neal JOSEPH

Serial No.: 10/010,340

Filed: December 5, 2001

Title: **SECURE DIGITAL ESCROW ACCOUNT TRANSACTION
SYSTEM AND METHOD**

Examiner: Gerald J. O'Connor

Group Art Unit: 3627

January 26, 2005

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

DECLARATION OF JAMES G. ROBERTSON

SIR:

I, James G. Robertson, declare as follows:

1. I have recently retired from a nationally known provider of employer services solutions Automatic Data Processing; (ADP.) My career at ADP began in August 1969, and spanned almost 35 years of service before retiring in June 2004. Looking back upon my ADP career I had opportunities to manage in a V.P. Role in the Eastern & Great Lakes Division as well as managing internationally as the United Kingdom's VP of Sales.

2. During my career at ADP I have held various positions in operations and implementation, product management, sales and sales management. I had an opportunity during my ADP career to be a part of a business that had a revenue stream of some \$50 Million dollars during the initial year of employment. Today ADP's business has grown to over \$7 Billion in annual revenues in the fiscal year that saw my retirement (2004.)

Enclosed with this declaration is a copy of my "internal" ADP resume which summarizes in further detail the various positions I outlined in section number one.

My career experience with ADP includes the acquisition of Security Pacific Bank, a California based financial institution which gave ADP its early technical platform to impound and escrow statutory payroll related taxes. ADP continued to build upon this payroll tax filing solution that enables employers to transfer their fiduciary responsibility to collect and file employee taxes to a governmental unit. ADP then takes responsibility for the timely and accurate filing to these appropriate governmental agencies. Today ADP collects and holds in overnight funds over \$11 Billion dollars of client's payroll tax liabilities.¹

To date, I am aware of no method currently used in the financial services industry to try and provide an automated sales tax processing solution that would replicate the collection and distribution of the sales tax revenue that is now done in the payroll/employer services industry. Such a tax collection and distribution process would, in my opinion, complement and add efficiencies to employers/merchants faced with daunting responsibilities to collect and file multiple state taxes imposed on goods and services sold to a business' customer base.

¹ ADP Annual Report June 30, 2004
11194810.01

3. I am familiar with the DAVO invention for impounding sales tax escrow funds via electronic funds transfer. My initial overview of the DAVO solution was provided in the spring of 2003 at a meeting with Owen H. Brown and David N. Joseph in my ADP Parsippany, NJ Office. My understanding of the invention may be summarized as follows:

A merchant processes credit/debit card and cash transactions using a third party electronic funds processor (EFP). Conventional EFP processing is initiated via point-of-sale terminals at the merchant's retail establishment to obtain credit/debit authorizations for pending transactions from credit/debit issuers, and to perform "closeouts" requesting payment by electronic funds transfer (EFT) from credit/debit issuers.

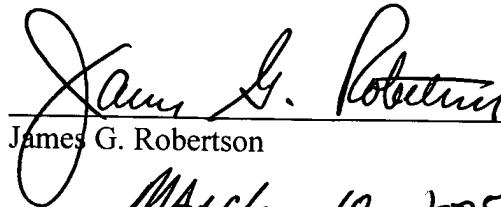
The DAVO invention would extend conventional EFP processing as follows. Merchant sales tax liability would be calculated by the EFP for closed transactions for each merchant. Tax dollars would automatically be impounded from by the EFP from EFT payments made by credit/debit issuers for closed transactions, and transferred to a third party processor who would take responsibility for the timely filing of all state sales taxes. Net EFT payments for closed transactions, less the impounded amounts, would be made by the EFP to a merchant's designated bank account with no active intervention on the part of a merchant required to designate and segregate tax monies, or to make tax payments.

State governments would also be able to use this methodology to collect "back sales taxes" due from merchants that fell in arrears with single or multiple taxing authorities.

4. To the best of my knowledge, no organization other than DAVO is currently generating or seeking to generate repetitive revenue streams with a passive (from an employers/merchant standpoint) sales tax impounding, escrowing and sales tax filing solutions.

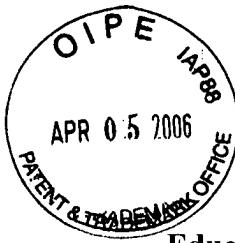
In my opinion, the DAVO solution provides an attractive business opportunity for Financial Services organizations. These organizations are constantly looking for new ways to automate money movement methodologies which would complement existing tax filing applications such as payroll. I believe that the DAVO solution is synergistic with employer/employee tax filing offerings currently provided by the large payroll processors (ADP, Paychex, Ceridian) as well as banks and local payroll providers. However, to the best of my knowledge, these organizations are not currently using the type of sales tax reporting technologies described in the DAVO patent application.

5. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the Untied States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.



James G. Robertson


Date MARCH 10, 2005



James G. Robertson

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Education: Fairleigh Dickinson University, Rutherford, New Jersey
Bachelor of Science- Business Administration

Experience: **Automatic Data Processing (ADP)**

January 2003 to June 2004

Area Vice President
Major Accounts Great Lakes Area

August 2001 to December 2003

Division Vice President
Major Accounts Acquisitions & Alliances

July 2000 to July 2001

Vice President of Sales
United Kingdom

July 1993 to June 2000

Division Vice President
Major Account Eastern Division
Operating Regions Included: Connecticut, Long Island, New York City, Northern New Jersey,
Princeton and Philadelphia.

July 1991 to June 1993

National Account Sales Executive
New York Metro Region- New Jersey, New York, Princeton and Philadelphia
National Processing Center Clifton

October 1990 to June 1991

National account Sales Executive
New York City

July 1989 to September 1990

National Account Sales Position/ Account Executive
Selected National Account Sales Program
ADP Corporate

January 1978 to June 1989

District Sales Manager
Regional Sales Position
New York City

April 1975 to December 1977

National Director of Account Executive Program
ADP Corporate

January 1973 to March 1975

Accounts Payable Product Manager
ADP Corporate

January 1972 to December 1972

Manager of Account Payable Production & Implementation
New Product Offering added to Commercial Services
Clifton Operating Region

January 1969 to December 1971

Accounts Receivable Conversion Analyst
Clifton Operating Region